

Audit

Report



OFFICE OF THE INSPECTOR GENERAL

**TRANSITION OF AIR FORCE MISSILE ACQUISITION
PROGRAMS FROM THE PROGRAM EXECUTIVE
OFFICERS TO THE AIR FORCE MATERIEL COMMAND**

Report No. 98-011

October 23, 1997

DISTRIBUTION STATEMENT A
Approved for Public Release
Distribution Unlimited

19991007 064

Department of Defense

DTIC QUALITY INSPECTED 4

AQI 00-01-2017

Additional Copies

To obtain additional copies of this audit report, contact the Secondary Reports Distribution Unit of the Analysis, Planning, and Technical Support Directorate at (703) 604-8937 (DSN 664-8937) or FAX (703) 604-8932.

Suggestions for Future Audits

To suggest ideas for or to request future audits, contact the Planning and Coordination Branch of the Analysis, Planning, and Technical Support Directorate at (703) 604-8939 (DSN 664-8939) or FAX (703) 604-8932. Ideas and requests can also be mailed to:

OAIG-AUD (ATTN: APTS Audit Suggestions)
Inspector General, Department of Defense
400 Army Navy Drive (Room 801)
Arlington, Virginia 22202-2884

Defense Hotline

To report fraud, waste, or abuse, contact the Defense Hotline by calling (800) 424-9098; by sending an electronic message to Hotline@DODIG.OSD.MIL; or by writing to the Defense Hotline, The Pentagon, Washington, D.C. 20301-1900. The identity of each writer and caller is fully protected.

Acronym

IWSM	Integrated Weapon System Management
------	-------------------------------------



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884



October 23, 1997

MEMORANDUM FOR ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)

SUBJECT: Audit Report on Transition of Air Force Missile Acquisition Programs
From the Program Executive Officers to the Air Force Materiel Command
(Report No. 98-011)

We are providing this report for review and comment. This report is the third in a series of reports resulting from our review of the transitioning of missile acquisition programs from program executive officers to materiel commands. The Assistant Secretary of the Air Force (Acquisition) did not respond to the draft report.

DoD Directive 7650.3 requires that all audit recommendations be resolved promptly. Therefore, we request that the Assistant Secretary of the Air Force (Acquisition) provide official comments by November 24, 1997. Comments must describe actions taken or planned in response to recommendations and provide the completion dates of the actions. If you nonconcur with any recommendation, the comments should state the specific reasons for the nonconcurrence and propose alternative actions, if appropriate.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Mr. John E. Meling at (703) 604-9091 (DSN 664-9091) or Mr. Brian M. Flynn at (703) 604-9051 (DSN 664-9051). See Appendix C for the report distribution. The audit team members are listed inside the back cover.

Robert J. Lieberman
Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. 98-011

(Project No. 6AE-5052.01)

October 23, 1997

Transition of Air Force Missile Acquisition Programs From the Program Executive Officers to the Air Force Materiel Command

Executive Summary

Introduction. This report on the transition of Air Force missile acquisition programs is the third in a series of reports addressing missile transition from acquisition to support organizations. The first report, Report No. 97-197, "Transition of Army Missile Acquisition Programs From Program Management Offices to Commodity Commands," July 28, 1997, addresses the transition of Army missile acquisition programs. The second report, Report No. 98-004, "Transition of Navy Missile Acquisition Programs From Program Management Offices to Support Commands," October 7, 1997, addresses the transition of Navy missile acquisition programs. In 1992, the Air Force Materiel Command developed the Integrated Weapon System Management concept. The concept is the new management philosophy of the Air Force for acquiring, evolving, and sustaining Air Force products. It empowers a single manager with authority over decisions and resources to satisfy customer requirements throughout the life-cycle of a product.

Audit Objectives. The primary audit objective was to assess whether program management offices were transferring adequate funds and other resources to Military Department materiel commands for missile acquisition programs transitioning from program executive officers. We also reviewed implementation of management controls applicable to transition management.

Audit Results. Overall, Air Force program management offices were transferring adequate funds and other resources to designated acquisition commanders for missile acquisition programs transitioning from program executive officers. However, the Air Force Materiel Command's Integrated Weapon System Management concept was complex and confusing to missile users and Air Force Materiel Command personnel. As a result, users did not always know the organization levels within the Air Force Materiel Command to approach to get problems resolved, and system program managers did not always plan or accomplish logistics functions at organizations that could most efficiently perform the function. Details on the results of the management control program are in Appendix A.

Summary of Recommendations. We recommend that the Assistant Secretary of the Air Force (Acquisition) clearly identify the single manager for each system along with clearly stated responsibilities, justify the additional level of management that exists under the Integrated Weapon System Management concept, and verify that program managers carry out logistics and inventory management needs by the most efficient and effective Air Force Materiel Command organization.

Management Comments. We issued a draft of this audit report on August 6, 1997. The Assistant Secretary of the Air Force (Acquisition) did not provide official comments on the draft report. We request that the Assistant Secretary of the Air Force (Acquisition) provide official comments on this report by November 24, 1997.

Table of Contents

Executive Summary	i
--------------------------	----------

Part I - Audit Results

Audit Background	2
Audit Objectives	3
Implementation of Integrated Weapon System Management	4

Part II - Additional Information

Appendix A. Audit Process	
Scope	12
Methodology	12
Management Control Program	12
Appendix B. Summary of Prior Coverage	14
Appendix C. Terms and Definitions	15
Appendix D. Report Distribution	17

Part I - Audit Results

Audit Background

DoD Transition Requirement. The DoD Regulation 5000.2-R, "Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs," March 15, 1996, states that acquisition program responsibilities for programs not assigned to a program executive officer must be assigned to a commander of a systems, logistics, or commodity command. The regulation further states that to transition from a program executive officer to a commander of a systems, logistics, or commodity command, a program must:

- have achieved initial operation capability,
- be in full-rate production, and
- be logistically supportable as planned.

Air Force Reorganization. In July 1992, the Secretary of the Air Force, recognizing the need to improve acquisition, evolution, and sustainment of all weapon systems, merged Air Force acquisition and logistics commands to form the Air Force Materiel Command. Among other reasons, the Air Force merged the acquisition and logistics commands to provide program stability throughout the life of programs. As a result, the Air Force Materiel Command is now responsible for providing resources for a weapon system from program inception through its final disposition. To accomplish that mission, the Air Force Materiel Command operates acquisition program offices, logistics centers, test facilities, and laboratories.

Integrated Weapon System Management Concept. The Air Force recognized that it needed improvements in acquiring and sustaining weapon systems and as a result implemented the Integrated Weapon System Management (IWSM) concept in July 1992. Air Force Materiel Command Pamphlet 800-60, "Integrated Weapon System Management Guide," December 20, 1994 (the Guide), explains the philosophy behind IWSM. The Air Force Materiel Command intended the IWSM concept to provide a single manager to the user. The single manager was to provide the user a seamless process for life-cycle management of the program. Because the guide was confusing and ambiguous, the Air Force Materiel Command rescinded the guide in the fall of 1996. However, the Air Force continues to subscribe to the IWSM philosophy, and in the absence of other guidance, Air Force Materiel Command personnel continue to use Pamphlet 800-60 as the primary guidance for life-cycle management of weapon systems.

While the following Air Force publications make reference to the IWSM concept, they do not provide further guidance on how to implement IWSM:

Air Force Policy Directive 63-1, "Acquisition System," August 31, 1993, and

Air Force Instruction 63-107, "Integrated Weapon System Management Program Planning and Assessment," August 5, 1994.

Weapon System Management Responsibilities. Key positions responsible for managing acquisition programs include the component acquisition executive, the program executive officer, and the program manager. Under the IWSM concept, the Air Force Materiel Command added the product group manager position to the program review process for acquisition programs that had transitioned to its management. Appendix B describes the functions of the positions.

For transitioned programs, designated acquisition commanders are responsible for the functions previously performed by program executive officers and are accountable to the component acquisition executive for execution of assigned programs. Designated acquisition commanders assign product group managers responsibility for managing specific product groups. The product group managers have overall responsibility for the allocation of resources for the acquisition and sustainment of the programs assigned to them.

Audit Objectives

The primary audit objective was to assess whether program management offices were transferring adequate funds and other resources to Military Department materiel commands for missile acquisition programs transitioning from program executive officers. This report on the transition of Air Force missile acquisition programs is the third in a series of reports addressing missile transition from acquisition to support organizations. The first report, Report No. 97-197, "Transition of Army Missile Acquisition Programs From Program Management Offices to Commodity Commands," July 28, 1997, addresses the transition of Army missile acquisition programs. The second report, Report No. 98-004, "Transition of Navy Missile Acquisition Programs From Program Management Offices to Support Commands," October 7, 1997, addresses the transition of Navy missile acquisition programs. We also reviewed implementation of management controls applicable to transition management. In Appendix A, we discuss the scope and methodology used to accomplish the objective and management controls. In Appendix B, we summarize prior audit coverage.

Transitions Generally Well Managed

Program management offices were transferring adequate funds and other resources to designated acquisition commanders for missile acquisition programs transitioning from program executive officers. Air Force program management offices prepared transition plans for four of the five missile programs that we reviewed in the audit. The transition plans served as a contract between the program management offices and the designated acquisition commanders for each transition. The transition plans outlined responsibilities and specified detailed actions to effect an orderly transition of the functions and responsibilities to the designated acquisition commanders. The transition plans documented business relationships and defined product management authority, responsibility, and workload that evolved through integrated planning. Once a missile system was transitioned, however, the Air Force Materiel Command's IWSM concept was complex and confusing to missile users and Air Force Materiel Command Personnel.

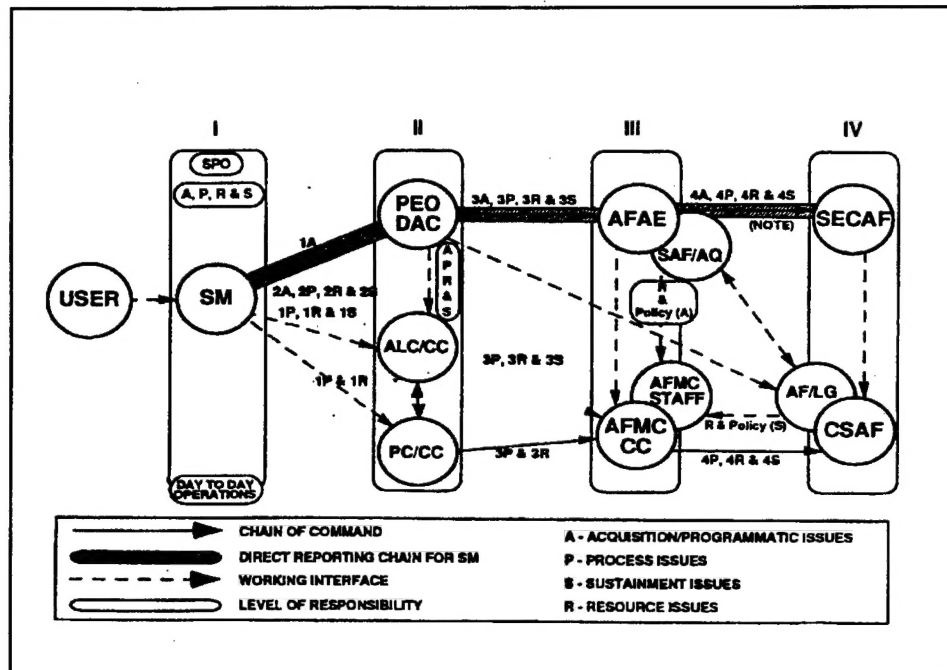
Implementation of Integrated Weapon System Management

The Air Force Materiel Command's IWSM concept was complex and confusing to missile users and Air Force Materiel Command acquisition personnel. Although the management of missile acquisition programs is complex by nature, the situation was exacerbated by the IWSM concept, which added another layer of program review, and by the limited and confusing IWSM guidance. As a result, users did not always know the levels of the Air Force Materiel Command to approach to get problems resolved, duplicating their efforts; program managers did not always plan for or accomplish logistics functions at organizations where they could most efficiently perform them; and the Air Force Materiel Command did not achieve its intent of providing a single manager to the user for each missile program.

Complexity of the IWSM Concept

The Air Force Materiel Command developed a confusing concept to ensure accountability and effectiveness of relationships for weapon system acquisition and sustainment efforts under the IWSM concept. Each person within the Air Force Materiel Command that tried to explain the concept to us gave differing explanations as to the actions that each organization was expected to perform. At the three air logistics centers, the Eglin Air Force Base product center, and the Air Force Materiel Command headquarters, we spoke with personnel in at least two different organizations that believed that their organization was the single manager. Representatives from the missile project offices, the system program offices, and the product group manager all stated that they considered their offices to be the single manager. Each of the offices has responsibilities that the Guide did not clearly define. For example, the Armament Product Group Manager, the Precision Strike System Program Director, and the AGM-130 Program Manager considered their offices to be the single manager for the AGM-130 guided bomb.

The following model for acquisition and sustainment in the Guide shows the complexity of the IWSM concept.



Source: Air Force Materiel Command Pamphlet 800-60

Figure 1. Model for Acquisition and Sustainment in the Guide

Acronyms identified in the Guide:

AFAE	Air Force Acquisition Executive
AFMC	Air Force Materiel Command
ALC	Air Logistics Center
CSAF	Chief of Staff of the Air Force
DAC	Designated Acquisition Commander
PEO	Program Executive Officer
SAF	Secretary of the Air Force
SPO	System Program Office

Acronyms not identified in the Guide:

AF/LG	Deputy Chief of Staff for Logistics
CC	Center Commander
PC	Product Center
SAF/AQ	Assistant Secretary of the Air Force (Acquisition)
SECAF	Secretary of the Air Force
SM	Single Manager

The Air Force Materiel Command's model does not identify all of the organizations listed or the actions that the organizations are expected to perform under the various interface designations. For example, the model does not identify or describe terms such as 1A, 2A, 3A, 4A, 1P, 2P, and 3P, and we could find no one who could tell us what the terms meant.

A review of the position descriptions showed duplication of responsibility in that each of those people had responsibility for achieving program costs, schedule, and performance for the weapon system baseline. Because of the differing interpretations within the various missile offices and the personalities involved, the Air Force Materiel Command did not achieve its intent of providing a single manager to the user for each missile program.

Streamlined Organization Structure

The concept was complex and confusing because the Air Force Materiel Command added another layer of program review for transitioned missile programs under the IWSM concept and did not provide clear guidance on how to get from the separate acquisition and logistics organization structures within the Air Force Materiel Command to the seamless organization called for under IWSM.

The DoD Directive 5000.1, "Defense Acquisition," March 15, 1996, states that DoD organizations should use a streamlined acquisition management structure characterized by short, clearly defined lines of responsibility, authority, and accountability. For major weapon systems, the management structure flowed from the system program director to the program executive officer to the component acquisition executive, as shown in Figure 2. Under IWSM, the Air Force Materiel Command added a level of organization and program review to the chain of command that did not exist before programs transitioned from program executive officers to the Air Force Materiel Command.

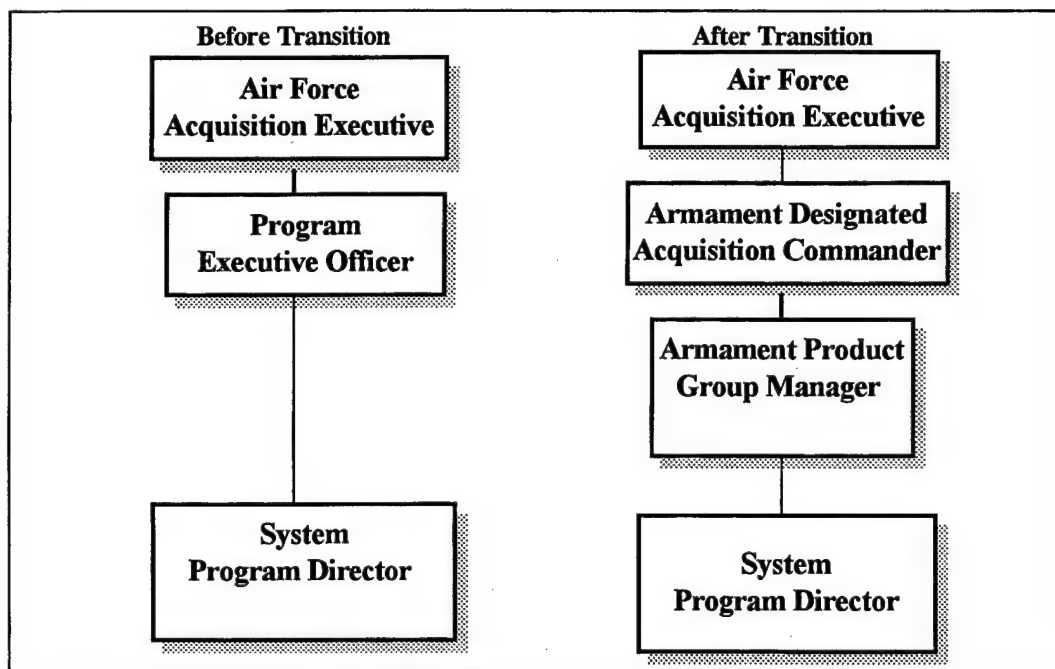


Figure 2. Reporting Chains-of-Command

Under IWSM, the Air Force Materiel Command added the Armament Product Group Manager in the designated acquisition commander chain-of-command, creating an extra layer of management for programs to pass when transitioned from program executive officers.

Figure 3 shows examples of the Air Force Materiel Command chain-of-command for two missile programs that transitioned from program executive officers to the Air Force Materiel Command.

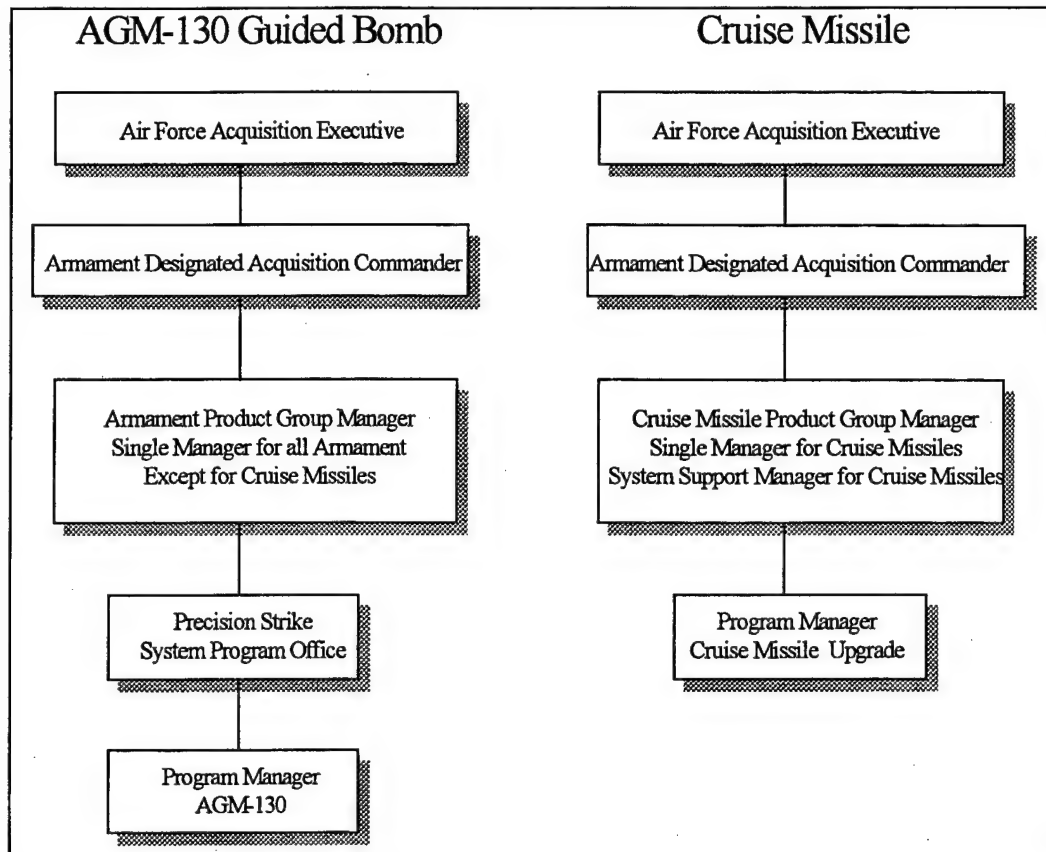


Figure 3. Examples of Chains-of-Command for Two Missile Programs

As indicated, the Air Force Materiel Command established three levels of program review on the AGM-130 guided bomb program between the program manager and the Air Force Acquisition Executive. On the cruise missile program, the Air Force Materiel Command established only two levels of program review. In both cases, the Air Force Materiel Command's implementation of the IWSM concept did not result in a streamlined organization structure when the programs transitioned from the program executive officers to the Air Force Materiel Command for missile sustainment actions.

Planning and Performing Logistics Functions

The Air Force Materiel Command did not establish policies, procedures, or guidance to ensure that single managers implemented logistics support that enabled users to account for the amount, location, and condition of armaments. When the Air Force Materiel Command was established (combining the Air Force Systems Command and the Air Force Logistics Command), the Air Force lost the clear transition of item management from acquisition organizations to logistics organizations for inventory control. As a result, some

Implementation of Integrated Weapon System Management

Air Force Materiel Command offices responsible for managing missile programs were not planning for or relinquishing item management control to logistics centers with knowledge of how to do inventory control.

For example, the program manager for the Joint Direct Attack Munitions did not coordinate with the logistics community because the system was to be fully contractor supported with a 20-year warranty. Program office personnel were operating under the assumption that they did not need logistics or sustainment support because the contractor would provide maintenance throughout the product life cycle and that the program office would provide inventory control functions.

In another application of the IWSM concept, the Ogden Air Logistics Center had sustained the GBU-15 guided bomb system for several years when management of the program was transitioned back to the product center at Eglin Air Force Base for modification of the GBU-15 guided bomb system into the AGM-130 guided bomb. When the modification was completed, product center personnel were reluctant to transfer logistics functions for the AGM-130 guided bomb back to the Ogden Air Logistics Center because, according to Eglin Product Center personnel, the logistics center was experiencing problems retaining qualified personnel. However, because all corporate knowledge and expertise for product sustainment actions were located at the Ogden Air Logistics Center, the product center had to refer most GBU-15 guided bomb user requests back to the Ogden Air Logistics Center for resolution.

User and Air Force Materiel Command Personnel Identification of a Missile Program's Single Manager

Both user personnel and Air Force Materiel Command personnel did not have a clear understanding of who the single manager was under IWSM. Missile users were not clear as to whether the product center or the logistics center was responsible for handling and resolving missile problems, repairs, and modifications. Accordingly, missile users were forced to address their concerns to both the product center and the logistics center, causing user frustration and duplication of effort between the centers. For example, Air Force Materiel Command personnel at the product center and the logistics center for the GBU-15 guided bomb and the AGM-130 guided bomb related instances in which missile users had expressed frustration to them at having spent time at another center trying to get a problem resolved only to learn that they were dealing with the wrong center.

For the three missile programs that we visited at the Air Force Materiel Command, product center personnel believed that the single manager was at a different position within the Air Force Materiel Command. Product center personnel at the project offices, the system program offices, and the product group management offices all told us that their office was the single manager for the GBU-15 guided bomb, the AGM-130 guided bomb, and the family of cruise missile programs.

Conclusion

The IWSM concept and the limited guidance available were so complex that Air Force acquisition personnel either ignored chains of command or were dependent upon personalities involved to implement IWSM. The Assistant Secretary of the Air Force (Acquisition) needs to conform with DoD Directive 5000.1 and DoD Regulation 5000.2-R by streamlining the acquisition management structure through short, clearly defined lines of responsibility, authority, and accountability. Additionally, the Assistant Secretary of the Air Force (Acquisition) should ensure that program managers develop cost-effective logistics support plans to support the missiles when the missiles are in sustainment and in the inventory of the Air Force. Although we focused our review on armament and missile program acquisitions, the IWSM organization structures and processes reviewed are applicable to all acquisition programs in the Air Force.

Recommendations for Corrective Action

We recommend that the Assistant Secretary of the Air Force (Acquisition):

1. Clearly identify the single manager for each system along with clearly stated responsibilities and authority.
2. Justify the additional level of management that exists under the Integrated Weapon System Management concept.
3. Verify that program managers, in the missile system sustainment phase, plan to carry out logistics and inventory management needs of the programs by the most efficient and effective Air Force Materiel Command organization.

Management Comments Required

The Assistant Secretary of the Air Force (Acquisition) did not comment on a draft of this report. We request that the Assistant Secretary of the Air Force (Acquisition) provide comments on the final report by November 24, 1997.

THIS PAGE INTENTIONALLY LEFT BLANK

Part II - Additional Information

Appendix A. Audit Process

Scope

We conducted this audit from August 1996 through May 1997, and we reviewed data dated from March 1989 through January 1997. To accomplish the objective, we reviewed the Air Force Materiel Command Pamphlet 800-60. In addition, on the Advanced Medium Range Air-to-Air Missile, the Joint Direct Attack Munitions, the GBU-15 guided bomb, the AGM-130 guided bomb, and the family of cruise missile programs, we reviewed program documentation including:

- operational plans,
- concept of operations,
- IWSM plans, and
- transition plans.

Further, we discussed issues relating to transitioning missile acquisition programs with Air Force program, technical, and contracting officials.

Methodology

We conducted this program audit in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD, and accordingly included such tests of management controls as we deemed necessary. Technical experts from the Engineering Branch, Technical Assessment Division, in the Analysis, Planning, and Technical Support Directorate of the Inspector General, DoD, assisted in the analysis of missile transition plans. We did not use computer-processed data or statistical sampling procedures for this audit.

Contacts During the Audit. We visited or contacted individuals and organizations within the DoD. Further details are available upon request.

Management Control Program

DoD Directive 5010.38, "Management Control (MC) Program," August 26, 1996, requires DoD managers to implement a comprehensive system of management controls that provides reasonable assurance that programs are operating as intended and to evaluate the adequacy of those controls.

Scope of Review of Management Control Program. We limited our review because of relevant coverage in Inspector General, DoD, Report No. 96-028, "Implementation of the DoD Management Control Program for Major Defense Acquisition Programs," November 28, 1995. The report discusses the effectiveness of the management control program that the Defense Acquisition Executive and the Component Acquisition Executives used for major Defense acquisition programs. The report concludes that the acquisition community had not effectively integrated DoD Management Control Program requirements into its management assessment and reporting processes. As a result of the report recommendations, the Under Secretary of Defense for Acquisition and Technology integrated DoD Directive 5010.38 requirements into the March 15, 1996, revisions to DoD Directive 5000.1 and DoD Regulation 5000.2-R. Acquisition managers are now to use program cost, schedule, and performance parameters as control objectives to carry out the DoD Directive 5010.38 requirements. The managers are to identify material weaknesses through deviations from approved acquisition program baselines and exit criteria in the "Defense Acquisition Executive Summary" report.

Consequently, we limited our review of management controls to those related to transitioning weapon systems from acquisition into sustainment on the Advanced Medium Range Air-to-Air Missile, the Joint Direct Attack Munitions, the GBU-15 guided bomb, the AGM-130 guided bomb, and the family of cruise missile programs.

Adequacy of Management Controls. We identified a material management control weakness, as defined by DoD Directive 5010.38, in the management control process for transitioning missile systems from acquisition into sustainment. Management controls were not adequate to ensure an orderly transition of the functions and responsibilities of the system into sustainment. Our review was limited to armament and missile programs; however, our review of IWSM organization structures and processes indicated that the material management control weakness identified exists on all Air Force acquisition programs. A copy of the report will be provided to the senior official responsible for management controls in the Office of the Assistant Secretary of the Air Force (Financial Management and Comptroller).

Adequacy of Management's Self-Evaluation. The Air Force Materiel Command did not include the IWSM concept as part of an assessable unit and, therefore, the self-evaluation did not identify or report the material management control weakness identified by the audit.

Appendix B. Summary of Prior Coverage

During the last 5 years, the Office of the Inspector General, DoD, has issued two audit reports and the Air Force Inspector General has issued one report on the transitioning of missiles systems.

Inspector General, DoD

Office of the Inspector General, DoD, Report No. 97-197, "Transition of Army Missile Acquisition Programs From Program Management Offices to Commodity Commands," July 28, 1997, states that Army program management offices and the Army Missile Command generally managed the transition of missile systems and supporting equipment effectively. However, the Army did not provide sufficient Operation and Maintenance funds to fully sustain missiles and related equipment that had transitioned. Further, the funding problems associated with sustaining equipment were exacerbated by the fact that users were not always receiving credits for depot-level repairable items returned to the supply system. The report recommended the provision of sufficient funding to maintain the readiness of equipment as prescribed in Army guidance for the sustainment of fielded equipment. The report also recommended the establishment of a training program for users on the proper preparation of depot-level repairable turn-in documents and the timely shipment of items to the wholesale supply organization to obtain credits for returned items. The Army agreed to implement corrective actions in response to the report recommendations.

Office of the Inspector General, DoD, Report No. 98-004, "Transition of Navy Missile Acquisition Programs From Program Management Offices to Support Commands," October 7, 1997, states that Navy systems commands do not transition their missile programs from program management offices to a sustainment organization. The Navy assigns to program managers the responsibility for managing and funding their respective missile systems from program concept to disposal. The Navy management approach minimized the potential for funding and management problems associated with the transition of missile program management responsibilities. The report contained no recommendations.

Inspector General, Air Force

The Air Force Inspector General published a report on Acquisition Management Review PN 96-505, "Implementation of the Integrated Weapons System Management (IWSM) Philosophy," December 10, 1996. The purpose of the acquisition management review was to assess the implementation of IWSM philosophy in the Air Force Materiel Command. The policy of the Air Force Inspector General is that the findings identified in its reports are not to be published or cited by others. No management action was taken or planned in response to recommendations made in the report.

Appendix C. Terms and Definitions

The Air Force Materiel Command lists the following terms and definitions in the "Product Management Mission Element Board Coordination, Guide to Single Manager Roles and Responsibilities," September 16, 1996.

Component Acquisition Executive. A DoD Component acquisition executive is the single official within a Military Department or other DoD element who has overall responsibility for acquisition functions within that component.

Consignment. Consignment is the transfer of management responsibility between single managers. Consignment most often occurs when a developing single manager transfers responsibility to a sustaining single manager. Consignment is a normal event expected in the life cycle of many items that the Air Force Materiel Command develops.

Development System Manager. The development system manager is the lead individual at an Air Force Materiel Command product center when a single manager located at another center delegates a specific development task to the supporting product center. The development system manager reports directly to the single manager.

Integrated Weapon System Management. IWSM is the Air Force Materiel Command's management philosophy for acquiring, evolving, and sustaining Air Force products. It empowers a single manager with authority for decisions and resources to satisfy customer requirements throughout the life cycle of the product. IWSM provides a framework for doing business at all levels within the command. The Air Force derived the IWSM concept from the previous history of product and sustainment management in the Air Force. It applies to military system groups, product groups, and materiel groups that make up military capabilities, and it provides the philosophical foundation for building seamless organizations and processes, such as consignment or transition. The cradle-to-grave product management requires multi-functional, intra- and inter-organizational interaction and teamwork.

Product Director. The product director leads a product management directorate and is responsible for the goods and services that it provides. Product directors report to the Air Logistics Commander. In some IWSM programs, the single manager is also a product director.

Product Group Manager. The product group manager manages an Air Force Materiel Command product group and is ultimately responsible and accountable for decisions and most of the resources in overall product group management. The product group manager is the single person who is charged with all cost, schedule, and performance aspects of acquisition programs within a product group and related sustainment activities. Typically, the product group manager's products are in direct support of one or more of the military system program directors. Product group managers are responsible to the system program directors, who are the single face to the customer. Product group managers sometimes provide support directly to Air Force users and other customers.

Appendix C. Terms and Definitions

Program Executive Officer. A program executive officer is an official who has primary responsibility for directing several acquisition programs under a component acquisition executive. A program executive officer has no other command or staff responsibilities within the DoD Component and only reports to and receives guidance and direction from the component acquisition executive.

Program Manager. A program manager (also called project manager, product manager, or program director) is the official responsible for managing a specific acquisition program. A program manager reports to and can receive direction from a program executive officer, the commander of an acquisition command, or a component acquisition executive. The program manager is responsible for understanding the requirements, environment, organizations, activities, constraints, and motivations impacting the acquisition program. The program manager is to be knowledgeable of and understand how to operate within the constraints imposed by the requirements generation system; the acquisition management system; and the planning, programming, and budgeting system. Further, the program manager coordinates the work of Defense industry contractors, consultants, in-house engineers, logisticians, contracting officers, and others, whether assigned directly to the program office or supporting it from a component functional matrix organization.

Single Managers. Single managers are responsible to their customer for all aspects of the planning, development, sustainment, and evolution of the products that they acquire and support. Single managers serve as the single face to the user for their respective systems or products. Single managers are responsible for program performance and overall health of the product.

System Program Director. The system program director directs an Air Force system program office and is ultimately responsible and accountable for decisions and most resources in overall program execution of a military system. The system program director is the single person, identified in a program management directive, who is charged with cost, schedule, and performance (including sustainment) of a program. The system program director's primary customer is the user. The system program director interfaces with other single managers and Air Logistics Command product directors to meet customer requirements.

System Support Manager. The system support manager is the lead individual at an Air Force Materiel Command logistics center responsible for system sustainment when the single manager is located at another center. The system support manager reports directly to the single manager.

Transition. Transition is a term used to describe the transfer of workload or management responsibility for specific product and materiel items, as well as functional responsibilities, within a single manager's organization.

Appendix D. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology
Deputy Under Secretary of Defense (Acquisition Reform)
Deputy Under Secretary of Defense (Logistics)
Director, Defense Procurement
Director, Defense Logistics Studies Information Exchange
Under Secretary of Defense (Comptroller)
Deputy Chief Financial Officer
Deputy Comptroller (Program/Budget)
Assistant Secretary of Defense (Public Affairs)

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Assistant Secretary of the Navy (Financial Management and Comptroller)
Auditor General, Department of the Navy

Department of the Air Force

Assistant Secretary of the Air Force (Acquisition)
Assistant Secretary of the Air Force (Financial Management and Comptroller)
Commander, Air Force Materiel Command, Aeronautical Systems Center
Commander, Aeronautical Systems Center Detachment 5
Commander, Ogden Air Logistics Center
Commander, Oklahoma City Air Logistics Center
Commander, Warner Robins Air Logistics Center
Auditor General, Department of the Air Force

Other Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Logistics Agency
Director, Defense Contract Management Command
Director, National Security Agency
Inspector General, National Security Agency
Inspector General, Defense Intelligence Agency

Non-Defense Federal Organizations and Individuals

Office of Management and Budget
Technical Information Center, National Security and International Affairs Division,
General Accounting Office

Chairman and ranking minority member of the following congressional committees and subcommittees:

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on National Security, Committee on Appropriations
House Committee on Government Reform and Oversight
House Subcommittee on Government Management, Information, and Technology,
Committee on Government Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal
Justice, Committee on Government Reform and Oversight
House Committee on National Security

Audit Team Members

The Acquisition Management Directorate, Office of the Assistant Inspector General for Auditing, DoD, produced this report.

Patricia A. Brannin
John E. Meling
Brian M. Flynn
Delpha W. Martin
Ramon Garcia
Clara R. Parker

INTERNET DOCUMENT INFORMATION FORM

**A . Report Title: Transition of Air Force Missile Acquisition Programs
From the Program Executive Officers to the Air Force Materiel Command**

B. DATE Report Downloaded From the Internet: 10/07/99

**C. Report's Point of Contact: (Name, Organization, Address, Office
Symbol, & Ph #):** OAIG-AUD (ATTN: AFTS Audit Suggestions)
Inspector General, Department of Defense
400 Army Navy Drive (Room 801)
Arlington, VA 22202-2884

D. Currently Applicable Classification Level: Unclassified

E. Distribution Statement A: Approved for Public Release

F. The foregoing information was compiled and provided by:
DTIC-OCA, Initials: __VM__ Preparation Date 10/07/99

The foregoing information should exactly correspond to the Title, Report Number, and the Date on the accompanying report document. If there are mismatches, or other questions, contact the above OCA Representative for resolution.